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Loan Commission to discuss details of state borrowing plan

Arizona 's Loan Commission is set to meet today as the state faces the prospect of running out of money and being forced to borrow billions of dollars to pay for ongoing government operations.

The meeting was announced by Treasurer Dean Martin, who said on Jan. 5 he expects the state to deplete its cash reserves by mid-March.

Martin and the other two members of the panel, Gov. Janet Napolitano and Department of Administration Director Bill Bell, will discuss the process of issuing warrants to allow state government to avoid shutting down. They also will negotiate the maximum interest rate the state will pay on the short-term loans, the amount of which could range from \$2.5 billion to \$5.5 billion.

Legislative and gubernatorial budget analysts in November estimated Arizona was facing a \$1.2 billion shortfall for the 2009 fiscal year, which ends in June. Napolitano

Jim Small Arizona Capitol Times